



Director of  
Central  
Intelligence

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# The Middle East Peace Process

Special National Intelligence Estimate

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## THE MIDDLE EAST PEACE PROCESS

Information available as of 24 January 1985 was used in the preparation of this Estimate, which was approved by the National Foreign Intelligence Board on that date.

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THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT.

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organization of the Department of State.

*Also Participating:*

The Assistant Chief of Staff for Intelligence, Department of the Army

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The Department of Commerce

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## SCOPE NOTE

Recent developments in the Middle East may have set the scene for some limited movement in the peace process. These developments, largely unforeseen as recently as six months ago, include changes in relations among moderate Arab states, a new government in Israel, and a newly defined Palestine Liberation Organization under the reaffirmed leadership of Yasir Arafat. This paper examines what these recent diplomatic developments mean and what effect they may have on the peace process during the next 18 months. It also looks at factors that might change the analysis—specifically, the impact of leadership changes among the key players or of regional developments that might affect prospects for the peace process.

Implicit in an assessment of prospects for peace negotiations between Israel and the Arabs is the military balance between the two sides. NIE 36/35-84, *The Arab-Israeli Military Balance*, dated 31 December 1984, looks at recent changes and future trends in the military balance of power in the Middle East and assesses the likelihood of renewed Arab-Israeli hostilities through 1990. It also addresses in detail military issues raised in this Estimate.

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## KEY JUDGMENTS

We see little prospect for any major breakthrough in the Middle East peace process in the months ahead. The parties that conceivably would have the most to gain from negotiations at this stage—Israel, Jordan, and the Palestine Liberation Organization—are operating under powerful constraints that reduce their flexibility and willingness to take the steps necessary to break the current impasse. Diplomatic inertia and the military balance in Israel's favor are likely to sustain a situation in which there is neither a comprehensive Arab-Israeli settlement nor a major war during the next 18 months—although a serious Syrian-Israeli confrontation in Lebanon is possible.

PLO chief Arafat's recent success in convening the Palestine National Council appears to have strengthened his leadership over an emerging moderate faction in the PLO and will be interpreted by him as endorsement of a diplomatic approach to the Palestinian problem. Arafat almost certainly will not feel sufficiently pressed to accept Jordanian King Hussein's terms for a joint negotiating initiative, but he will feel compelled to make some response. Arafat is likely to be driven by a desire to maintain PLO unity and the quest for consensus. He will take no steps that would significantly dilute or delegate away PLO authority.

Serious differences remain between Jordan and the PLO over such issues as the nature of PLO participation in negotiations and the structure of a future Jordanian-Palestinian confederation. Hussein may never succeed in persuading or pressuring the PLO to accept terms that Jordan, let alone Israel, would accept, and Arafat's very strength within his own organization will help him to resist terms he finds unacceptable. Nor is the King likely to find credible Palestinian leaders on the West Bank who would be willing to act in defiance of Arafat.

Any progress toward a separate Jordanian-PLO initiative will confront strong Syrian opposition. Syria may find its leadership role in the region best maintained through rejection of any peace plan of which Damascus is not the major arbiter. The concept of a West Bank Palestinian state dominated by Jordan is also unacceptable to Damascus. President Assad is determined to block any settlement that does not include full return of the Golan Heights—a concession that both major parties in Israel oppose.

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Continued diplomatic stalemate is the most likely scenario. Assad will be content to bide his time and issue renewed calls for an international conference on the Middle East—even though he, like the other Arab leaders who have endorsed such a conference, realizes it is a nonstarter. If Hussein and Arafat make further progress toward reaching an agreement, Syria will increase use of terrorism by its Palestinian allies to thwart them and possibly will engage in military intimidation of Jordan.

There is little prospect that a bloc of moderate Arab states strong and cohesive enough to stand up to Syrian obstructionism will soon emerge. Egyptian President Mubarak places high importance on getting the peace process unstuck and was given a boost by Amman's restoration of diplomatic relations with Cairo, but he wants to avoid what he regards as the late President Anwar Sadat's mistake of trying to speak on the Palestinians' behalf. The Saudis—whose support is important to Hussein—would be reluctant to involve themselves in a process that excluded the Syrians, and Riyadh would be unlikely to support a settlement that Damascus opposed. Iraq's preoccupation with its war with Iran greatly diminishes Baghdad's ability to serve as a counterweight to Damascus, although its continuing nonopposition to peace efforts is helpful.

The Peres government's preoccupations—with Lebanon and with Israel's economic crisis—and its tenuous hold on political power discourage it from addressing directly the divisive issue of territorial compromise on the West Bank. The Labor Party recognizes that a peace settlement is impossible without Israeli flexibility on this issue, but there is broad support in Israel for refusing to return to the pre-1967 borders, accept an independent Palestinian state on the West Bank, negotiate with the PLO, or surrender sovereignty over a united Jerusalem. And Israel's economic crisis will not increase the government's flexibility on the issue of territorial compromise on the West Bank.

The Soviets are not as concerned about solving the Arab-Israeli dispute—from which they have benefited—as they are about enhancing their influence in the Middle East and gaining a recognized role there. Accordingly, they will continue to lobby for an international conference in which they would play a major part. Even if the USSR achieved this goal, it would continue to benefit from limited tensions. Moscow will refuse to back any settlement unacceptable to Syria and the PLO. On the other hand, Moscow lacks the leverage either to impose an agreement on them or to prevent them from signing one.

Under current circumstances, a diplomatic breakthrough would depend on a fundamental shift in attitudes and goals by the key parties to the dispute. It is likely over the next 18 months that, left to themselves, none will move and the status quo will continue.

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Differences over territorial issues will be extraordinarily difficult to bridge. Even the most commonly accepted framework for negotiations—UN Security Council Resolution 242—is subject to very different interpretations by Jordan and Israel, and even by the major Israeli political parties. King Hussein would require prior commitments on territorial compromise that Israel would find difficult, if not impossible, to make before he would move into direct negotiations with Tel Aviv.

In the short term, continuation of the stalemate is unlikely to cause a precipitate decline in US interests in the region:

- Disillusionment of the moderate Arab regimes with US policy will continue, but will be tempered in individual cases by perceptions of US willingness to meet other security concerns, particularly those related to the Iran-Iraq war.
- We foresee no use of the oil weapon as long as current market conditions prevail.
- Dissatisfaction with Washington might incline some moderates to improve their relations with the USSR. Moscow would try to take advantage of this situation, particularly through increased arms sales, but we do not envisage any dramatic Soviet gains in the region.
- Terrorist activity against US personnel, facilities, and interests will continue.

Over the longer term, however, the United States could expect:<sup>1</sup>

- Limited hostilities between Syria and Israel that could escalate into a broader conflict between the two countries within the next five years.
- A growing belief by the Arab states that the United States is no longer an asset to them in being able to bring about a satisfactory solution to their conflict with Israel. Future US relations with Arab states will depend largely on their perceptions of Washington's ability and willingness to meet their

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<sup>1</sup> The Director, Bureau of Intelligence and Research, Department of State, believes that this paragraph overemphasizes the relationship between lack of movement in the peace process and the threat to US interests in the area. For example, it is unlikely that within the next five years most moderate Arab regimes will conclude that the United States is no longer "an asset" in the peace process; rather some governments may change tactics to increase pressure on the United States if there is no progress. INR believes that even with progress on the peace process, key Arab states would still be challenged by a range of radical elements from the left and right; this challenge will continue to generate Arab reluctance to cooperate openly with the United States. Moreover, progress toward Arab-Israeli peace, such as Jordanian-Palestinian agreement on a negotiated settlement, could just as easily lead to an increase in terrorism and instability in the area.

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needs—particularly security concerns—outside the Arab-Israeli arena.

- Further development of an environment that enables Islamic fundamentalists, leftists, and other domestic opponents of moderate Arab regimes to make it politically more costly for those regimes to cooperate with the United States on military or security matters, including joint exercises, pre-positioning of equipment, and access rights.
- A bolstered belief in Israel that it can continue indefinitely to expect political and economic support from the United States, irrespective of US interests in the Arab world, and a consequent reduced Israeli susceptibility to pressure for concessions.
- Again, continued terrorist activity against US personnel, facilities, and interests.

Most Arab states now doubt that the United States has the will or desire to be an honest broker, but nevertheless believe Washington has the power and responsibility to break the deadlock. The moderates would welcome any US action that would assist them in lessening their vulnerability to criticism for their close ties to Washington. From the Arabs' perspective, the United States could increase its appearance of evenhandedness in its involvement in the peace process by: talking to the PLO; endorsing Palestinian rights to self-determination; condemning Israel's settlement activity on the West Bank and formally rejecting its annexation of the Golan Heights; and becoming more willing to sell arms to moderate Arab states.

US pressure is most likely to be successful if aimed at simultaneous concessions from both sides and all parties are convinced that the United States is determined to see its efforts through to implementation.

Few possible developments within the region would help to revitalize the peace process, and several of them probably would hurt it. A change of leadership in any of the key Arab states, especially Jordan, probably would set back the chances for progress. A further winding down of the Iran-Iraq war or a full reintegration of Egypt into Arab ranks might help solidify moderate Arab backing for Hussein, but either event would also raise Israeli doubts about Arab intentions. A full withdrawal of Israeli troops from southern Lebanon might improve the climate for negotiations.

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## DISCUSSION

### Introduction

1. Six months ago, most observers saw few, if any, events in the Middle East to encourage hopes of progress in the peace process. Indeed, general opinion predicted a lack of any significant activity because the inertia of the past 30 years seemed to have a solid hold in the region. Several recent developments, however, may have set the scene for limited diplomatic activity. Israel has a new government of national unity led by Labor Party Chairman Shimon Peres. PLO Chairman Arafat managed to convene a Palestine National Council (PNC) meeting in Amman, leaving the Syrian-supported Palestinian radical rump in disarray. Syria itself faces the unpleasant prospect of an emerging moderate Arab alignment, including Jordan, Egypt, a reinvigorated moderate PLO, and Iraq.

2. But the question remains whether even these dramatic developments will be enough to free the frozen machinery of the peace process or to create new machinery in its place. The unique combination of events that allowed Sadat to make his historic trip to Jerusalem in 1977 have not yet reappeared; no single Arab state has displayed the strength and motivation of Sadat's Egypt, nor does the Israeli Government appear able to meet dramatic steps with movement of its own.

### The PLO's Internal Crisis

3. The disputes within the PLO have weakened the organization but have not ended its symbolic importance as the "sole legitimate representative" of the Palestinian people. Further disunity or splintering will not diminish its emotional importance to the Palestinians. The PLO has demonstrated surprising resilience in the face of major military and political defeats during the last two years. The Arafat-led PLO mainstream—constituting about 80 percent of the organization—continues to receive broad-based support from West Bank Palestinians, the Palestinian diaspora, and other Arab states.

4. PLO chief Arafat's decision to convene the PNC in November 1984 over Syrian and radical Palestinian objections appears to have strengthened his leadership

over an emerging moderate faction willing to pursue peace negotiations. The PLO chief will interpret his success in convening the Council as a clear indication of broad-based support for his policies and as an endorsement of a diplomatic approach to addressing the Palestinian problem.

### Palestinian Goals and Strategy

5. We believe the PLO's minimum goals are:

- Establishment of a Palestinian state in the West Bank—including East Jerusalem—and Gaza, although Arafat probably would acquiesce in minor Israeli annexations of territory.
- Recognition in principle of the right of Palestinian refugees to return to the new state and monetary compensation for those choosing not to return, although Arafat probably would compromise on the number of returnees and the amount of compensation.

6. Arafat would need a strong inducement to gamble on new approaches to the peace process. He believes he needs a major change in US policy—including US willingness to enter into a dialogue with PLO representatives or to endorse Palestinian self-determination—to convince his supporters that Washington will take Palestinian interests into serious consideration. Apart from PLO acceptance of UN Resolution 242, a US-PLO dialogue would not guarantee further PLO flexibility in negotiations.

7. Radical Palestinians are unwilling to compromise on the goals set out in the PLO's 1968 charter and subsequent resolutions, including the establishment of a democratic, secular state encompassing all of Palestine and the use of "armed struggle" to achieve it. Short of assassinating King Hussein, the radicals would not be able to block efforts to reach a negotiated settlement with Israel.

### Jordanian Goals and Strategy

8. King Hussein seeks a settlement that:

- Partially satisfies Palestinian demands for self-determination but prevents the emergence of a militant, irredentist Palestinian state.

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- Restores Arab sovereignty over most of the territory lost in 1967 and gives East Jerusalem a special status acceptable to the Arab consensus. Hussein's preferred solution for the West Bank is a confederation with Jordan in which Amman would control defense and foreign relations, but he might settle for a looser association. His suspicion of Palestinian intentions would lead him to reject an independent Palestinian military force.

9. Hussein has supported the Reagan peace initiative. He believes, however, that he cannot obtain either PLO or Arab endorsement of the plan unless the PLO has at least an indirect role in negotiations and a place in a future Jordanian-Palestinian confederation. His endorsement of a UN-sponsored international conference is aimed in part at securing US and Israeli recognition of the PLO as a party to the negotiations.<sup>2</sup>

#### Prospects for a Jordan-PLO Framework for Negotiations

10. Jordan's military weakness and dependence on Arab financial aid mean Hussein cannot act alone, as Sadat did. The King hopes to use his improved ties with PLO moderates and West Bank leaders to win Arafat's endorsement of a joint negotiating initiative based upon an exchange of territory for peace and the creation of a Jordanian-Palestinian confederation. His efforts to forge a moderate Arab bloc—centered on Iraq and Egypt—are aimed mainly at deterring Syrian-led retaliation if he and Arafat enter negotiations.

11. King Hussein presented his proposal for a joint initiative to the PNC to capitalize on the dispute in the PLO. He may have calculated that Arafat's position had been so weakened by the PLO's internal crisis that the PLO chairman would have to give in to Jordanian demands. Arafat almost certainly will not feel sufficiently pressed to accept King Hussein's terms for a joint negotiating initiative, but he will feel compelled to make some response.

12. Arafat is confident the King will not enter negotiations without Palestinian backing. The PLO chairman is likely to be driven by a desire to maintain PLO unity and the quest for consensus. He will take no steps that would significantly dilute or delegate away PLO authority. Reconciliation with Syria and Syrian-sponsored Palestinian groups seems even less likely now than it did in November 1984, and thus

<sup>2</sup> A comparison of various Middle East peace plans is presented in the annex.

Arafat may not feel constrained by their objections to this process. There is disagreement within Fatah over whether UN Resolution 242—recognition of which is part of Hussein's proposal—can be a basis for discussions.

13. The Hussein-Arafat dialogue, once it resumes, probably will center initially on divergent views of a future West Bank-Jordan linkage. Whereas Hussein favors a confederation under Hashemite rule, Arafat envisions a looser arrangement in which an independent Palestinian state would only later be joined to Jordan.

14. As for the format of peace negotiations, Arafat is likely to push for an agreement that would allow the PLO direct participation, even though he knows this would be unacceptable to Israel. He may eventually accept a Jordanian offer of a joint Jordanian-West Bank Palestinian negotiating team if the PLO is permitted a behind-the-scenes role, such as selecting the West Bank participants and remaining close by for frequent consultations during the negotiations.

15. The PLO presence in Jordan will be another contentious issue. Arafat wants an enlarged PLO presence as a good-faith gesture. Hussein probably will resist this for fear the PLO may try to resume attacks against Israel, inviting Israeli retaliation.

16. Arafat's decision to defy Syria and the radical Palestinians, together with the generally moderate tone of the Council's sessions, suggests that he wants to foster a moderate PLO bloc that would be responsive to his interests in renewing dialogue with Hussein over the peace process. He probably does not anticipate reaching agreement with the King soon, but rather seeks to use the discussions to keep attention focused on the PLO as a key player in the process.

17. Hussein probably does not expect an early breakthrough in his talks with Arafat. He probably will be satisfied for the present if his courtship of the PLO leader prevents Syrian domination of the organization and reduces the influence of PLO radicals. Increased threats to Jordanian security, such as a wave of Syrian-inspired terrorism or Israeli retaliation for Jordan-based guerrilla activity, might cause Hussein to reconsider his pursuit of closer Jordanian-PLO relations.

18. Hussein may never succeed in persuading or pressuring the PLO to accept terms that Jordan, let alone Israel, could accept. In fact, the stronger Arafat becomes—and the PNC meeting has helped him at least temporarily in this regard—the more room he

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will have to maneuver and to resist any settlement he finds unacceptable.

### **Role of West Bank Palestinians**

19. Hussein will look to West Bankers to press Arafat to accept a Jordanian role in negotiations. The King may hope that a compromise with Israel supporting the appointment of Arab mayors in West Bank towns could be arranged that would convince West Bankers that only Jordan can deal successfully with the Israelis. The King may also expect that his cultivation of pro-Jordanian West Bank leaders will enable him to entice them to join talks with the Israelis should his relationship with Arafat turn sour.

20. Only an insignificant minority of West Bankers is willing to ignore Arafat's leadership, however, even though nearly all are eager for progress in the peace process. Palestinians in the West Bank, Gaza, and the diaspora still hope Arafat will work out an arrangement with Hussein, and they see Arafat's risk of a PLO split as the opening needed to break the stalemate. Arafat's assertion of independence from Syria has enhanced his position with West Bankers and probably will reinforce their view of Arafat as the Palestinian spokesmen.

21. There is only a slim chance that PLO dissension or the failure of Arafat and Hussein to reach agreement would lead to an independent West Bank initiative. Most West Bankers will not go it alone because they fear radical Palestinian retribution, and they do not believe Israel would act in good faith. They might reconsider if the Israeli Government froze settlement construction for an extended period and abolished many of the more onerous aspects of the military occupation, and if King Hussein supported their efforts.

22. Arafat and the PLO moderates would feel compelled to cooperate with Hussein in the unlikely event Jordan and/or independent West Bank leaders appeared prepared to negotiate without them. Arafat then would face a situation in which he would have to make the concessions required to join the peace process or lose control of the Palestinian movement to the West Bankers.

### **Prospects for Support from a Moderate Arab Coalition**

23. The resumption of Egyptian-Jordanian relations and prospects for restored ties between Baghdad and Cairo have raised expectations that a moderate Arab

bloc might develop that would be able to act independently. The goals and capabilities of the states in the current moderate alignment, however, suggest that a moderate coalition would not provide King Hussein much greater maneuvering room. The Saudis—whose support is important to Hussein—would be reluctant to involve themselves in a process that excluded the Syrians. Baghdad's preoccupation with its war with Iran greatly diminishes its ability to serve as a counterweight to Damascus. The Egyptians welcome ties to Amman as a vindication of Cairo's adherence to its peace treaty with Israel and refusal to accept preconditions to restoration of relations with the Arabs, but they lack sufficient leverage over Damascus to contain the Syrian threat.

### **Syria**

24. Several factors reinforce Syria's longstanding hardline position on negotiations with Israel. The minority sectarian character of the regime weakens President Assad's claim to legitimacy and severely limits his room for maneuver. Assad's determination to maintain a long-term confrontation with Israel reflects his desire to forge a Syrian national identity that transcends the myriad differences among the country's religious, ethnic, and tribal constituencies. This may be, at best, an elusive goal. Assad's experience with Syria's coup-prone politics of the 1950s and 1960s instilled in him a sense of political caution. The continued high concern in Syria that Israel is bent on aggressive territorial expansion further reduces his political options. Finally, because of Syria's long-held self-image as a center of Arab nationalism and the presence of nearly 300,000 Palestinians on its soil, Damascus believes it important to appear to be at least as staunch a champion of Palestinian self-determination as any other Arab or Islamic state.

25. The regime's internal political legitimacy and regional leadership are disproportionately dependent on Syria's continued image as the preeminent confrontation state and its public opposition to a peace settlement that does not return the Golan Heights to Syria or fails to meet Palestinian aspirations. Even if the Golan were returned to Syrian sovereignty, however, Assad might prefer a nonresolution of the conflict to acceptance of an agreement that provided for a West Bank Palestinian state dominated by Jordan.

26. In his approach to the peace process, Assad has consistently given the impression that he believes time is on his side. He has emphasized repeatedly that Syria must redress the strategic imbalance between the

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Arabs and Israel before any progress can be made on an overall settlement. The Syrians on numerous occasions have shrugged off any suggestion of urgency in starting negotiations.

27. The situation in south Lebanon is tailor-made for Assad to demonstrate to Syria's fellow Arabs the advantages of negotiating with Israel from a position of strength. Thus, Syria hopes that any agreement in Lebanon will be the antithesis of the Camp David and the 17 May Accords. In Lebanon, Syria occupies an advantageous position in its confrontation with Israel. Indeed, Assad believes that time is on his side and that the Israeli Army must withdraw despite its failure to achieve any political concessions. The recovery of occupied Arab territory without the onus of a surrender of Arab sovereignty would give Syria a highly emotional political victory which it can exploit to undermine support for moderate Arab maneuvers.

28. Assad has long maintained that only a multilateral approach to the peace process would prevent an Arab "surrender" to Israel. After opposing the 1981 Fahd plan, Syria supported the 1982 Fez Declaration and participated in the Arab League follow-up discussions. Assad will block any bilateral settlement between Israel and any other Arab state and will not agree to one himself. Moreover, he almost certainly calculates he can extract continuing aid from his conservative Arab financial backers in the context of a multilateral approach to negotiations.

29. Assad's support for a UN conference—although he probably doubts one would be held soon—entails a slight shift in his thinking regarding Soviet involvement in the peace process. The Syrians responded lukewarmly to the Soviets' proposal in July 1984 for an international conference, which Damascus probably saw as an effort by Moscow to curry favor with Jordan and the other Arab moderates. The Syrians may believe that UN sponsorship and broad international participation would lessen both the Soviets' potential to disrupt a conference and the danger of polarization, with the Americans and Israelis on one side and the Soviets and Arabs on the other.

30. Assad is open in principle to a US initiative and believes that no settlement will be achieved without US pressure to extract concessions from Israel. Assad also does not anticipate, however, that any acceptable proposal will be forthcoming from the United States, arguing that, without a more "neutral" US role, talks between Washington and Damascus are a "dialogue of the deaf." Damascus charged that the Reagan initiative of 1982 failed to consider the Golan Heights or to

recognize those Palestinians who have been refugees since 1948. The Syrians also rejected the initiative's language on Israel's need for defensible borders, arguing that history shows Israel to be the aggressor.

31. Although the Syrians endorse the Palestinians' right to self-determination, we doubt that they are committed to an independent Palestinian state—and would certainly not accept one under Jordanian domination. Indeed, they are more concerned about the danger that a separate settlement of the West Bank issue—with or without a political link to Jordan—would eliminate Syrian chances of recovering the Golan Heights. Assad reportedly believes that international indifference to the Golan issue means the Israelis would have little reason to relinquish the territory if Syria's Palestinian "card" were eliminated.

32. The emerging Egyptian-Jordanian alignment may have already convinced Damascus that Hussein and Mubarak are positioning themselves to push a settlement that ignores Syrian interests—withstanding Hussein's endorsement of an international conference, his rejection of the Camp David Accords, and Cairo's public acknowledgement that Syria should be involved in the peace process. Syria's leverage on the Jordanian-Palestinian front is much more limited than its ability to protect its interests in Lebanon. Nonetheless, the Syrians will exploit the weakness and equivocation of states such as Saudi Arabia to block an Arab consensus and to capitalize on the gaps that divide the Arabs.

33. The Syrians will increase use of their terrorist assets—possibly including assassination attempts against Hussein or Arafat—to prevent a separate Jordanian-PLO initiative. Syria provides a base of operations for Abu Nidal's renegade Palestinian group, which has been responsible for several terrorist operations against Jordanian diplomats since the fall of 1983. In addition, Damascus has provided training, weapons, and explosives to Syrian-controlled groups in Jordan. Particularly serious would be any effort by the Syrians to provoke tension between Jordan and Israel by encouraging Palestinian groups to undertake operations into Israel from Jordan. There already have been incidents of this type over the last several months and more are likely.

34. If Hussein makes a move to enter negotiations with Israel, Syria is likely to respond with a military show of force along the border, and possibly with incursions into Jordanian territory, in an effort to intimidate the King. In late 1980, the Syrians moved major elements of two divisions—totaling about 28,000



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troops and some 600 tanks—to the Jordanian border as a warning to the King not to pursue an anti-Syrian alliance with other Arab leaders then meeting in Amman.

## Israel

35. Israel wants to achieve peace agreements with its Arab neighbors that would recognize Israel's right to exist within defensible boundaries. To achieve this goal, Israel has called upon Arab states to enter into direct negotiations without preconditions. There is broad agreement among all major Israeli political parties and the Israeli public on the major tenets of policy toward the occupied territories and toward the PLO:

- There will be no return to the pre-1967 borders. Israelis believe these borders were inadequate to protect the country. There are, however, significant variations within this consensus.
- Israel will neither negotiate with nor recognize the PLO. The vast majority of Israelis would oppose negotiations with the PLO even if it modified its charter to recognize Israel and renounced terrorism.
- Israel will not agree to the creation of an independent Palestinian state in any territory evacuated by Israel as part of a peace agreement. Israelis regard a Palestinian state as a threat to Israel's security, a source of continued instability in the region, and an opening to the expansion of Soviet influence.
- Israel will retain political sovereignty over a united Jerusalem.

36. Nonetheless, the Peres government, still bogged down in Lebanon and grappling with formidable, perhaps insoluble, economic problems does not now have the political power to address directly the issue of a territorial compromise on the West Bank—potentially the most divisive political issue in Israel. Lebanon and the economy—issues on which there is some national consensus—are likely to continue to absorb Israel's attention in the months ahead. Israel's economic crisis will not increase the government's flexibility on the issue of territorial compromise on the West Bank.

37. Israel's leading political parties—Labor and Likud—differ fundamentally on the concept embodied in UN Resolution 242 of trading territory for peace with the Arabs. Likud politicians believe Israel should

not compromise its claim to sovereignty over the West Bank, yet they do not seek formal annexation by Knesset legislation. The Likud bloc supports continued Israeli control of the West Bank as the heart of the biblical "Land of Israel" and as an area vital to the security of Israel's densely populated coastal plain. Nevertheless, Likud recognizes that formal annexation of the West Bank would cause a severe deterioration in US-Israeli relations. Annexation also would force Israel to decide on whether to grant citizenship rights to West Bank Palestinians—a step which would in the long run threaten Israel's Jewish character—or to deny them these rights and be faced with an increasingly hostile, disenfranchised minority.

38. Shamir and his Likud colleagues insist that the Camp David Accords remain the only acceptable negotiating framework because they provide Israel the best chance to retain control of the West Bank. By their interpretation, the Camp David agreements describe a severely restricted form of Palestinian self-rule, leaving Israel in control of all sovereignty-related matters, including land and water resources, settlement activity, and security.

39. Labor recognizes that peace is impossible unless Israel displays flexibility on sovereignty. Labor envisages returning to Jordan approximately 60 percent of the West Bank and Gaza as part of a peace agreement with Amman, according to party officials. Israeli sovereignty would extend to all the remaining areas:

- The Jordan River valley, including the areas northwest of the Dead Sea, and the western approaches to the valley.
- East Jerusalem and its environs, as annexed by Israel after the 1967 war.
- The Etzion bloc of settlements between Jerusalem and Hebron.
- Certain areas along the western edge of the West Bank, including the Latrun salient, Qalqiliya, and Tulkarm.
- Southern Gaza abutting the Sinai.

Labor leaders believe these provisions would return to Jordanian control approximately 85 percent of the Arab inhabitants of the occupied territories.

40. Labor and Likud leaders do not see much room for compromise with Syria on the Golan Heights. Likud opposes returning Golan territory to Syria because of security concerns, while Labor's position is vague. Most Labor leaders favor some territorial concessions on the Golan, but language to this effect was

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not included in the party's 1984 election platform. This is probably because they do not believe Syria would accept less than a total Israeli withdrawal from the Golan, which neither Labor nor Likud would contemplate.

41. Israel's national unity government has taken no official position on any existing peace plan. Certain provisions of existing peace plans have aroused specific Israeli objections. Israelis oppose, for example, provisions contained in the Fez and Soviet proposals calling for an international peace conference and the creation of an independent Palestinian state. They oppose an international peace conference because they believe the participation of the PLO and Soviet Union would dilute the US role in protecting Israeli interests.

42. Labor and Likud differ over the Reagan initiative of September 1982. Likud adamantly rejects the proposal as a deviation from the Camp David Accords. Labor disagrees with some aspects of the proposals, such as those dealing with Jerusalem, but most Labor Party leaders regard the plan as consistent with the party's negotiation strategy based on Resolution 242.

## Egypt

43. Progress toward a comprehensive Arab-Israeli settlement is highly important to President Mubarak. He is firmly committed to peace with Israel and to reliance on US economic and military support but also seeks Egypt's reintegration into Arab ranks. Mubarak can reconcile these goals—and justify his close ties to the United States—only if Egypt is in the forefront of efforts to solve the Palestinian problem. This would enable Cairo to escape Arab accusations that it had made a separate peace and allowed Israel to accomplish de facto annexation of the occupied territories.

44. Egypt refuses to accept any preconditions to its reintegration with the Arabs—particularly any demands to renounce the Camp David Accords. Mubarak has made it clear, however, that Egypt's return to the Arab fold does not imply acceptance of Camp David by the other Arabs. This point was demonstrated in early December 1984 when Mubarak played host to King Hussein, who criticized Camp David in a speech to the Egyptian parliament.

45. For Cairo, rapprochement with the other moderate Arabs is a means to advance the peace process as well as an objective in its own right. Closer Egyptian-Arab ties are likely to make Egyptian leaders more confident both that progress can be made and that Egypt has an important role to play in the process.

46. The Egyptians view their newly normalized relationship with Jordan as particularly important in this regard. They believe a Jordanian-led negotiating effort currently holds the most promise for progress, which is why they publicly endorsed Hussein's proposal during his visit to Egypt. Although this endorsement does not mean Cairo has embraced the King's plan to the exclusion of others, Mubarak sees little inconsistency between his objectives and Hussein's. He will continue to work closely with Hussein to keep their policies in harmony. In addition, Mubarak will use his contacts with the PLO to facilitate a negotiating process between Hussein and Arafat.

47. Mubarak and Hussein probably have also been discussing the possibility of a PLO government-in-exile. Mubarak would welcome establishment of such a body as an indication of movement on Arafat's part and as a symbol of the PLO's opting for a political rather than a military solution to the Palestinian problem. Mubarak is unlikely, however, to repeat his offer—made in the summer of 1982 and then soon retracted—to locate a government-in-exile in Egypt.

48. Mubarak has repeatedly emphasized that improvement in Egyptian-Israeli relations depends on, among other things, concessions by Israel on the Palestinian question and the status of the West Bank. This policy conforms with the Egyptian public's strong preference to continue the current "cold peace" with Tel Aviv and also would enable Mubarak to claim credit for any flexibility that Israel does show.

49. Cairo will almost certainly continue to oppose resumption of the West Bank autonomy talks in their old form—that is, with Egypt alone speaking for Arab interests. The Egyptians would participate in talks concerning the West Bank provided the Jordanians and Palestinians also were directly represented. Cairo would portray such talks as a new negotiating framework rather than an extension of Camp David.

50. Egyptian officials take an eclectic approach toward the various peace plans. They say each plan—including those offered by the United States, the USSR, the European Community, the Arab League at the Fez summit, and Egypt and France at the UN—has elements worth considering. Mubarak's top adviser, Osama al-Baz, recently said the task is to find a "common denominator" among the formulas and to "crystallize" one or more of them into a basis for action. This eclecticism demonstrates that Cairo is more interested in diplomatic movement per se than in a specific outcome. It also shows the Egyptians are

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still sensitive to accusations that they have tried to usurp from the PLO the right to make decisions about the Palestinians' future. This sensitivity probably also underlay Mubarak's suggestion in November 1984 that the PLO make its own peace proposal.

51. Cairo would warmly welcome a reinvigoration of the Reagan initiative, partly because the initiative's emphasis on a Palestinian link with Jordan conforms with Egypt's view of the current opportunities for negotiation. Most important, Cairo considers a central US role and US pressure on Israel as vital for a settlement.

### The USSR

52. The Soviets do not view the Arab-Israeli peace process as an end in itself but as a means to enhance their influence in the Middle East, especially at the expense of the United States. They would support a settlement that satisfied their Arab allies and institutionalized a Soviet role in the region, but they do not necessarily want to solve the very problem that has brought them substantial benefits. Moscow realizes that US support for Israel is the major obstacle to improved US-Arab ties and that the Arab-Israeli dispute increases the receptivity of the Arabs to Soviet military and political backing.

53. Moscow's specific diplomatic goal (realized briefly in 1969-70, in December 1973 at Geneva, and—on paper—in October 1977) has been to obtain a seat at the Arab-Israeli negotiating table as an equal of Washington. This would be an acknowledgement by the United States and the states in the region of the Soviet Union's "legitimate role" in the Middle East. More concretely, it would enhance the Soviets' ability to block any US-sponsored settlement they believed harmful to their interests.

54. The Soviets repeatedly call, publicly and privately, for a return to US-Soviet cooperation on the peace process and for a reconvened international conference on the Arab-Israeli dispute. Their peace proposal of July 1984 contains the most detailed elaboration Moscow has issued of the mechanics of such a conference. The provisions follow closely the Kremlin's plan for the Geneva Conference of December 1973 but appear aimed at preventing what happened then—a US outmaneuvering of the Soviets and brokering of separate Israeli-Egyptian and Israeli-Syrian agreements. Soviet Foreign Minister Gromyko tried to assure Israeli Foreign Minister Shamir during their meeting at the UN in September 1984 that Israel need not fear that an agreement would be forced upon it at such a conference.

55. The Soviets would refuse to back any settlement unacceptable to Syria and the PLO. If Moscow obtained a significant role in a peace conference, it might attempt to moderate its allies' positions. The USSR does not possess the leverage to make Syria and the PLO sign an agreement that did not meet their objectives, however, and it would not risk damaging bilateral relations—especially with Damascus—by trying to do so. Moscow also realizes that if its allies acceded to a peace agreement that left no role for the USSR, it would not be able to obstruct it.

56. Moscow probably does not expect progress soon on the convening of an international conference. Over the next few years, the Soviets will instead concentrate on forging a unified Arab position. In particular, they will seek to mend the Arafat-Assad rift, which is hindering the formation of a radical consensus. Moscow also will continue to press the United States and Israel to drop their opposition to a peace conference. Their main concern, however, will be to keep their proposal alive to maintain at least the appearance of involvement in the peace process and to block any settlement sponsored solely by the United States.

57. Moscow would be especially concerned if a split within the PLO prompted Arafat to agree to joint representation with Jordan in negotiations with Israel. The Soviets would endorse and probably aid Syrian and radical PLO efforts to prevent such a development.

### A UN-Sponsored International Conference

58. In 1984 the leaders of Syria, Jordan, Egypt, Lebanon, and the PLO again endorsed the idea of a UN-sponsored peace conference, to be attended by the United States and the USSR along with Israel and the Arab parties to the conflict. The Arabs support such a conference because of their frustration over the lack of progress toward a comprehensive peace settlement, and increasing skepticism that the United States—because of its military, economic, and diplomatic support for Israel—is any longer capable of playing the role of honest broker. Arafat especially favors a conference because of the sympathy for the Palestinian cause within the Third World majority at the UN and because the General Assembly resolution calling for a conference specifically affirms the PLO's right to participate.

59. The Arab governments calling for an international conference are not close to agreeing among themselves on a coordinated negotiating position. They

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also hold little hope that a conference will be convened, given US and Israeli opposition. The Arab leaders see the following benefits in proposing such a conference:

- Conveying an image of reasonableness by being willing to negotiate.
- Publicly reaffirming support for the Palestinian cause.
- Broadening responsibility for the peace process and moving away from exclusive reliance on the United States.
- Exerting additional pressure on the United States to make greater concessions to Palestinian interests.
- Papering over inter-Arab differences by supporting a negotiating procedure rather than a specific formula for a settlement.

60. The Egyptians and Jordanians believe the USSR has little to contribute to the peace process but would do less damage if it were included in negotiations rather than continuing to be excluded. The Soviets themselves have endorsed the UN proposal and claim it is based on their own plan for a Geneva-style conference. Although the Soviets would prefer a US-Soviet format rather than UN sponsorship, they probably believe their support for a UN conference costs them little because US and Israeli opposition will prevent one from convening.

61. As long as an international conference is not convened, the Arab governments that have supported it probably will keep the proposal on the table, frequently paying lipservice to it in public statements. There will almost certainly be further endorsements of the idea in such forums as the General Assembly, the Arab League, and the Islamic Conference. Any signs of progress through other diplomatic channels, however—especially through US-sponsored talks in which Israel addresses the future of the West Bank—would tend to lower enthusiasm for the proposal.

### West European Goals

62. Members of the European Community seek to reinvigorate the Arab-Israeli peace process but remain reluctant to take initiatives independent of the United States. The Europeans also want to highlight their concern about the Palestinian problem in order to safeguard their economic interests in the Arab world.

63. Almost all EC members, including the French, want the United States to revitalize the initiative announced by President Reagan in September 1982, or a similar plan. They will try to avoid actions that might jeopardize US chances for success. The Europeans realize they lack new ideas, or the political clout with either Israel or the Arabs, to move the peace process off dead center. They also believe that the US is uniquely capable of promoting progress toward a settlement because of its close ties to Israel and to the moderate Arab countries.

64. The EC Summit in early December 1984 reiterated support for the principles of the Venice Declaration of 1980. The Declaration calls for Palestinian "self-determination" and the association of the PLO in the peace process. The EC is contemplating the sending of a fact-finding mission to the Middle East in 1985 to ascertain current views on a settlement. The mission would refrain from active mediation and its actions would be coordinated with the United States. The Europeans, however, may publicly appeal for the United States and Israel to talk to the PLO. The Italians—who hold the presidency of the EC for the first half of 1985—are especially likely to do so; they want to take advantage of what they regard as an increasing inclination by Arafat to pursue a diplomatic solution.

### Outlook for Peace Negotiations

65. Diplomatic inertia and the military balance in Israel's favor are likely to sustain a situation in which there is neither a peace settlement nor major military hostilities over the next 18 months. King Hussein will be hard pressed to translate his recent success in maneuvering within the Palestinian and inter-Arab arena into significant movement on the peace front with Israel. We believe the King will not embark on a direct and prolonged negotiating process unless he is reasonably certain of the outcome, of PLO or Arab state backing, and of substantive US support. It is more likely, in our judgment, that Hussein would continue trying to strengthen his regional position by coordinating political strategy with other Arab moderates and working to increase his leverage with the PLO without foreclosing the option of closer ties with Syria.

66. The differences on the basic issue of territorial compromise will be extraordinarily difficult to bridge. Even the most commonly accepted framework for negotiations—Resolution 242—is subject to very different interpretations by Jordan and Israel, as well as by Labor and Likud. To move into direct negotiations

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with Israel, Hussein would require prior assurances of flexibility on territorial compromise that would be difficult, if not impossible, for Israel to make. In the unlikely event that Labor and Likud could bridge their own differences over territorial issues and a national consensus emerged, Israel would insist that Hussein participate in negotiations without preconditions as to the outcome.

67. Syrian-sponsored terrorism could elicit Israeli responses that would heighten regional tension and worsen the climate for peace negotiations. A major such terrorist attack mounted through Jordan would seriously complicate Jordanian-Israeli relations, although we doubt Israel would take military action against Jordan. Should such a Syrian-sponsored terrorist attack in Israel cause heavy casualties, however, Israel might retaliate directly against Syria. PLO attacks against Israel are likely to continue, with Israeli retaliation against Palestinian targets in Lebanon.

#### Implications for the United States

68. Continuation of the status quo over the short term is unlikely to cause a precipitate decline in US interests. Specifically, we expect the following consequences:

- Disillusionment of moderate Arab regimes with the US will continue.
- Damage to US interests will be tempered, however, by individual state perceptions of US willingness to meet their other security concerns, particularly those related to the Iran-Iraq war.
- There will be no use of the oil weapon as long as current market conditions prevail.
- Arab dissatisfaction with the United States may incline moderate Arab regimes to improve their relations with the USSR. Moscow will try to take advantage of this disillusionment, particularly through increased arms sales, but we do not envisage any dramatic Soviet gains in the region.
- We do not believe that in the short term the moderate Arab regimes will become significantly less stable because of the absence of US efforts to achieve major progress in the Arab-Israeli conflict, although the Mubarak government in Egypt will be subject to strong criticism from its domestic opposition for maintaining close ties with Washington.
- There will be continued terrorist activity against US personnel, facilities, and interests.

69. Over the longer term, however, the United States could expect:<sup>3</sup>

- Limited hostilities between Syria and Israel that could escalate into war between the two countries within the next five years.
- A growing belief by the Arab states that the United States is no longer an asset to them in bringing about a satisfactory solution to the Arab-Israeli conflict. Future US relations with Arab states will depend largely on Arab perceptions of Washington's ability and willingness to meet their needs—particularly security concerns—outside of the Arab-Israeli arena.
- Further development of an environment that enables Islamic fundamentalists, leftists, and other domestic opponents of moderate Arab regimes to make it politically more costly for those regimes to cooperate with the United States on military or security matters, including joint exercises, pre-positioning of equipment, and access rights.
- A bolstered belief in Israel that it can continue indefinitely to expect political and economic support from the United States, irrespective of US interests in the Arab world, and a consequent reduced Israeli susceptibility to pressure for concessions.
- Again, continued terrorist activity against US personnel, facilities, and interests.

70. Most Arab states now have serious doubts that the United States will ever have the will or desire to be an honest broker in a peace settlement. Nevertheless, they believe the United States has the power and responsibility to break the deadlock in the peace process. The Arab regimes would prefer an initiative in which Israel is forced to make concessions, but the

<sup>3</sup> The Director, Bureau of Intelligence and Research, Department of State, believes that this paragraph overemphasizes the relationship between lack of movement in the peace process and the threat to US interests in the area. For example, it is unlikely that within the next five years most moderate Arab regimes will conclude that the United States is no longer "an asset" in the peace process; rather some governments may change tactics to increase pressure on the United States if there is no progress. INR believes that even with progress on the peace process, key Arab states would still be challenged by a range of radical elements from the left and right; this challenge will continue to generate Arab reluctance to cooperate openly with the United States. Moreover, progress toward Arab-Israeli peace, such as Jordanian-Palestinian agreement on a negotiated settlement, could just as easily lead to an increase in terrorism and instability in the area.

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moderates would welcome any US action that would assist them in lessening their vulnerability to criticism for their close ties to Washington. What would be important to Arab leaders is the perception that the United States is serious and willing to become more evenhanded in its involvement in the peace process. Moderate Arabs will continue to seek from the United States:

- Increased flexibility in US arms sales to moderate Arab states.
- A statement of the exact conditions under which the United States would talk to the PLO and an opening of such talks if the condition were met. (Hussein might not welcome any US strengthening of Arafat's position, given his own effort to increase his leverage over the PLO chairman.)
- Strong, high-level US statements that the United States opposes increased Israeli settlement in the West Bank and will not financially support it.
- Formal US rejection of Israeli annexation of the Golan Heights.
- An authoritative US statement endorsing Palestinian rights to self-determination.
- High-level US statements that Israeli territorial concessions—in return for recognition and guaranteed borders—are necessary for peace in the region.

71. US pressure placed primarily on one party or the other would prove counterproductive. To press the Israeli national unity government now to address the West Bank issue—let alone to make concessions on it—would risk strengthening Israeli hardliners and probably lead to collapse of the government. Similarly, King Hussein is unlikely to respond positively to pressure for him to make a unilateral gesture, given the risks to him if he could not be assured of Israeli concessions. Outside pressure or influence is most likely to be successful if aimed at simultaneous concessions from both sides.

72. Renewal of a comprehensive US peace plan would be doomed to failure unless the United States laid extensive groundwork in advance and convinced all parties that it was resolved to see it through to implementation. A failed effort could be a significant setback and embarrassment to the parties involved, cast further doubt on the credibility of the United States, and decrease the chances of future moderate participation.

### What Might Change the Foregoing Analysis?

73. A wide variety of developments—both within individual countries and regionally—could occur in the Middle East over the next 18 months that would change the foregoing analysis.

74. *Leadership Changes.* A change of leadership among any of the key participants in the Arab-Israeli conflict—the PLO, Jordan, Syria, and Israel—would, at a minimum, increase the uncertainty and delay in the peace process and diminish the prospects for negotiations. This would be the case even if a leader died of natural causes. In the event an Arab leader were assassinated by Palestinian extremists objecting to negotiations with Israel or by Muslim fanatics (as in the case of Sadat), other Arab leaders would be likely to become much more hesitant to risk joining a negotiating process.

75. In the Arab world, any successor to Arafat, Hussein, or Assad would probably lack whatever negotiating flexibility each of these three leaders has developed during his long term in office. A less stable and possibly unknown successor, coupled with an Israeli concern about the reliability of such an untested leader, would complicate the negotiation of a settlement.

- Arafat has no designated successor, and his death would throw the Palestinian movement into disarray as various guerrilla groups vied for control. The PLO, led by Fatah, would survive as an organization but would be more vulnerable to outside manipulation, particularly by Syria.
- Hussein's death would remove a key Arab leader willing to negotiate with Israel and, at the moment, the leader most actively trying to engage the Palestinians in the process. His removal would severely diminish the prospects for negotiations during the time frame of this Estimate.
- Assad's death would be unlikely to help the peace process. Any successor regime probably would be less stable and less self-confident, at least in the short term, and therefore less likely to risk compromises in negotiations with the United States or Israel.
- In Israel, prospects for negotiations would improve somewhat if the Labor Party could strengthen its standing. This might happen if Prime Minister Peres made progress on the country's two most pressing concerns: controlling runaway inflation and withdrawing Israeli forces

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from Lebanon. Any improvement in the Likud's position, on the other hand, would significantly lessen prospects for negotiations, given the party's position that Israel must never relinquish control of the West Bank.

- Changes in Egyptian, Saudi, or Iraqi leadership would have only a secondary impact on the peace process. The current leaders of these countries generally favor negotiations that would address Palestinian concerns, but they will play a supporting role at best. The most likely successors would pursue similar policies, and a leadership change would only slightly disrupt the process.

**76. Regional Developments.** A variety of regional developments could affect—mostly negatively—the prospects for peace negotiations:

- *Winding Down of the Iran-Iraq War.* If the Gulf war dies down, Israel is likely to be concerned that the vastly expanded and battle-tested Iraqi military establishment would be freed for possible use against Israel. (We believe this is unlikely, however, because the Iraqi military will largely remain deployed along Iraq's border with Iran for the foreseeable future.)\* On the other hand, if recent signs of Iraqi moderation on Arab-Israeli issues continued, Baghdad could help build a moderate Arab bloc with Jordan and Egypt. Further, Iraq is strong enough to serve as an effective counterweight to Syria and would reduce Assad's ability to intimidate Hussein militarily if the latter decided to enter negotiations with Israel.
- *Major Change in Egyptian-Israeli Relations.* A marked improvement in Egyptian-Israeli relations does not appear likely but would clearly improve the climate for peace negotiations. Israeli satisfaction of any of Egypt's conditions for improved relations—withdrawal of forces from Lebanon, resolution of the Taba border dispute, and, most important, "confidence-building" measures on the West Bank such as a settlement freeze—would enable Cairo to point out to other Arabs the benefits of a dialogue with Tel Aviv.

\* See NIE 36/35-84, *The Arab-Israeli Military Balance*, for a fuller discussion of this issue.

Contrarily, a marked deterioration would harden Arab doubts about Israel's intentions and reinforce the already growing skepticism in Israel about the usefulness of agreements negotiated with Arab states.

- *Full Reintegration of Egypt into Arab Ranks.* Resumption of diplomatic relations between Cairo and most other Arab governments and readmission of Egypt to the Arab League could help Mubarak to bolster moderate Arab support for Hussein's negotiating efforts. It would not, however, increase Israeli confidence in the peace process. Indeed, Israelis tend to view the issue as a zero-sum game, in which Egyptian-Arab rapprochement inevitably means a diminution of Egypt's ties to Israel and of its commitment to the Camp David Accords. Egyptian claims that improved ties with the Arabs are not incompatible with Cairo's peace treaty with Tel Aviv do not impress Israeli leaders. King Hussein's recent denunciation of the Camp David Accords in an address to the Egyptian parliament have fed Israeli concerns in this regard.
- *Disorders on the West Bank.* Israel's position on the peace process is unlikely to be affected by disorders on the West Bank, no matter how serious they might become. Israelis overwhelmingly support retention of the area for security reasons as long as there is no peace settlement. They will continue to see the security benefits of occupation as outweighing the costs of containing the growing unrest.
- *Developments in Lebanon.* A complete Israeli troop withdrawal from southern Lebanon would remove a major political issue for Israeli leaders and might allow them to focus on the prospects for broader negotiations. Nonetheless, the failure of the Naqurah talks and Tel Aviv's disappointment with the abrogation of the security agreement that was negotiated with Lebanon in May 1983 have hardened Israeli attitudes toward the peace process and Syria. As a result, Israel will approach further peace talks more cautiously and will be more demanding that the United States guarantee future agreements.

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**Annex**  
**Comparison of Middle East Peace Plans**

Issues	US (Reagan) Proposal (September 1982)	Soviet Proposal (July 1984)	Arab League Communique at Fez (September 1982)	King Hussein's Proposal (November 1984)	French-Egyptian Draft Security Council Resolution (July 1982)	European Community's Declaration at Venice (June 1980)
Arab-Israeli recognition	Arab states and Palestinian people should recognize Israel's right to secure future.	All parties committed to respect each other's sovereignty, independence, and territorial integrity.	No explicit mention, but implicit recognition of Israel in reference to peace "among all states of the region."	No explicit mention.	Mutual and simultaneous recognition among all states and people concerned.	All countries in area entitled to live within secure and recognized borders.
Withdrawal from occupied territories	Resolution 242 applies to West Bank and Gaza; extent of Israeli withdrawals should be determined by nature of peace, normalization, and security arrangements.	Complete withdrawal, with recognition of new borders as inviolable.	Complete withdrawal, including from East Jerusalem.	Adherence to Resolution 242; principle of land in return for peace is negotiable.	Reaffirmation of Resolution 242.	Israel must end its post- 1967 territorial occupation.
Transitional period	Five-year autonomy period as outlined in Camp David Accords; Palestinian inhabitants of West Bank and Gaza given full authority over own affairs, with due consideration to principle of self- government and legitimate security concerns.	Short transitional period, with United Nations administering the territories, is acceptable.	Under UN supervision, and not to exceed a few months.	None specified.	None specified.	None specified.
Settlements	Immediate settlement freeze.	Dismantlement of all Israeli settlements.	Dismantlement of all Israeli settlements.	Settlements denounced, although not part of formal proposal.	Not mentioned.	Israeli settlements are illegal and a serious obstacle to peace.
Ultimate status of West Bank and Gaza	Prefer self-government in association with Jordan; will support neither independent Palestinian state nor annexation or permanent control by Israel.	Palestinian state, with right to form confederation with Jordan.	Independent Palestinian state.	Palestinians have right to self-determination; relationship with Jordan to be determined by Jordanian and Palestinian peoples.	Affirms Palestinian right to self-determination.	Palestinian people must be placed in a position to exercise right to self-determination.
Jerusalem	Must remain undivided; final status to be decided through negotiations.	East Jerusalem incorporated into new Palestinian state.	To become capital of Palestinian state; guaranteed freedom of worship in holy places for all religions.	Arab Jerusalem must be returned to Arab sovereignty.	Not mentioned.	Rejects any unilateral initiative to change Jerusalem's status; everyone should have guaranteed freedom of access to holy places.
Negotiating forum and international guarantees	Direct Arab-Israeli negotiations; United States has special responsibility to help.	International conference attended by Israel, its Arab neighbors, the PLO, the United States, the USSR, and "some" other states from the Middle East and areas adjoining; UN Security Council or its permanent members to guarantee settlement.	UN Security Council to guarantee principles of settlement and peace among all regional states.	Negotiations "within the framework" of a UN-sponsored international conference, with participation of all parties to dispute and permanent members of Security Council.	UN Secretary-General requested to consult parties and make proposals.	Guarantees for a peace settlement to be provided by UN Security Council, and, if necessary, on the basis of "other mutually agreed procedures."
PLO role	No provision.	Must participate in any negotiations on an equal footing with other parties as sole legitimate representative of Palestinian people.	Sole legitimate representative of Palestinian people.	Must participate in any negotiations on an equal footing with other parties as sole legitimate representative of Palestinian people.	Shall participate in negotiations.	Must be associated with negotiations.



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